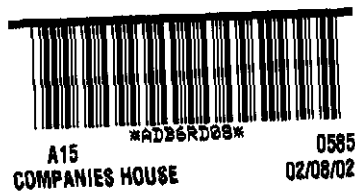


SCIENCE RECRUITMENT GROUP LIMITED

Report and Financial Statements

31 March 2002



REPORT AND FINANCIAL STATEMENTS 2002

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OFFICERS & PROFESSIONAL ADVISERS

DIRECTORS

N J Methold
S Kempson
A R Dixey

SECRETARY

A L Thorpe

REGISTERED OFFICE

Buckland House
Waterside Drive
Langley Business Park
Slough
Berkshire
SL3 6EZ

BANKERS

Barclays Bank Plc
Slough
SL1 4SG

AUDITORS

PricewaterhouseCoopers
No. 1 London Bridge
London
SE1 9QL

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2002.

ACTIVITIES

The company's main activity has been that of a specialist staffing and recruitment business operating in the science sector.

RESULTS AND DIVIDENDS

The company made a profit after taxation of £930,000 (2001 - £886,000). A final dividend of £1,200,000 (2001 - £3,500,000) was declared and paid.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

For the year ended 31 March 2002 turnover grew by 17% to £20.1 million and operating profit was maintained at £1.2 million. The directors expect further growth in the forthcoming financial year.

DIRECTORS AND THEIR INTERESTS

The current directors are shown on page 1. All directors who served throughout the year were:

N J Methold
S Kempself
B P Blackden (resigned 3 May 2002)
A R Dixey
K A Worrall (resigned 3 May 2002)

No director had any interest in the shares of the company as defined by the Companies Act 1985 at any time during the year. Messrs Blackden, Dixey and Worrall were also directors of Professional Staff plc, the company's ultimate parent company and the interests of these directors in the shares of the parent company are disclosed in the financial statements of that company. Other directors were interested in the capital of Professional Staff plc as follows:

	31 March 2002		31 March 2001	
	Ordinary 2p Shares	Ordinary 2p Share Options	Ordinary 2p Shares	Ordinary 2p Share Options
N J Methold	2,000	5,000	2,000	5,000
S Kempself	5,500	7,500	5,500	7,500

AUDITORS

During the year, as a matter of good corporate governance, the directors invited several professional service firms to tender for appointment as the company's auditors, including the incumbent auditor. As a result of the tender process which included meetings, presentations and written tender materials, PricewaterhouseCoopers were appointed auditors.

PricewaterhouseCoopers have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



A L Thorpe
Secretary

27 May 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 7 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website and recognise that legislation in the United Kingdom governing the preparation and dissemination of financial statements published on the internet may differ from legislation in other jurisdictions from which the information can be accessed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCIENCE RECRUITMENT GROUP LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

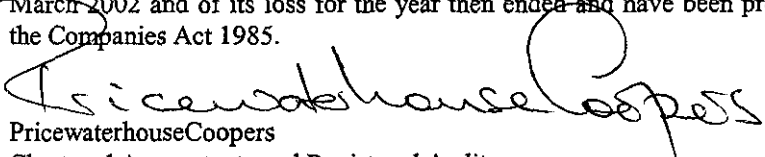
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

30 May 2002

SCIENCE RECRUITMENT GROUP LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2002

	Note	2002 £'000	2001 £'000
TURNOVER	1	20,136	17,215
Cost of sales		(13,958)	(11,665)
Gross profit		6,178	5,550
Administrative expenses		(4,996)	(4,369)
OPERATING PROFIT		1,182	1,181
Income from shares in group undertakings		123	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,305	1,181
Tax on profit on ordinary activities	4	(375)	(295)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		930	886
Equity dividends	5	(1,200)	(3,500)
Loss for the year		(270)	(2,614)
Profit and loss account brought forward		1,059	3,673
Profit and loss account carried forward		789	1,059

All amounts derive from continuing operations.

There were no recognised gains or losses in either the current or preceding financial period other than as stated above. Accordingly, a statement of total recognised gains and losses has not been presented.

The notes on pages 7 to 12 form part of these financial statements.

SCIENCE RECRUITMENT GROUP LIMITED

BALANCE SHEET

31 March 2002

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Tangible assets	6	540	699
CURRENT ASSETS			
Debtors	7	2,816	2,672
Cash at bank and in hand		281	239
		3,097	2,911
CREDITORS: amounts falling due within one year	8	(2,092)	(1,795)
NET CURRENT ASSETS		1,005	1,116
TOTAL ASSETS LESS CURRENT LIABILITIES		1,545	1,815
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Share premium		756	756
Profit and loss account		789	1,059
EQUITY SHAREHOLDERS' FUNDS	10	1,545	1,815

The financial statements on pages 5 to 12 were approved by the Board of Directors on 27 May 2002.

Signed on behalf of the Board of Directors


A. R. Dixey
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

New accounting standards

Financial Reporting Standard 18 "Accounting Policies", effective for accounting periods on or after 22 June 2001 has been adopted. The directors have reviewed the company's accounting policies and consider that the accounts are prepared in accordance with FRS 18.

The company has also adopted Financial Reporting Standard 19 "Deferred Taxation" in the financial statements. The adoption of FRS 19 had no significant effect on the retained profits for the year or comparative year.

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

The company derives its turnover from the supply of temporary workers on a time and materials basis and from fees for permanent placement and other recruitment related activities. Staffing turnover is recognised as services are rendered as validated by the receipt of a client-approved timesheet. Permanent placement fees are typically recognised in three stage billings for retained searches and in single stage billing for contingent services upon candidate start date.

Turnover excludes value added tax or any other sales tax and arises mainly in the UK.

Depreciation

Depreciation is provided in equal instalments over the estimated useful life of the assets and is calculated on the cost of the assets.

The following rates are used:

Motor vehicles	25% per annum straight line
Computers and equipment	15% -33% per annum straight line

Pensions

The company contributes to certain employee personal money purchase pension plans. These contributions are charged to the profit and loss account as they are payable.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the year end. Any differences are dealt with in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is more likely than not that there will be adequate future taxable profits against which to recover carried forward tax losses.

Cash flow statement

The company is a wholly owned subsidiary of the ultimate parent company and controlling party, Professional Staff plc, a company incorporated in Great Britain and registered in England & Wales, and is included in the consolidated financial statements of Professional Staff plc. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2002 £'000	2001 £'000
Directors emoluments		
Emoluments (excluding pension contributions)	226	210
Contributions to money purchase pension plans	9	3
	<u>235</u>	<u>213</u>
Highest paid director		
Emoluments (excluding pension contributions)	120	134
Contributions to money purchase pension plans	5	-
	<u>125</u>	<u>134</u>
Employee costs (including directors)		
Wages and salaries	2,722	2,245
Social security costs	282	205
Contributions to money purchase pension plans	55	46
	<u>3,059</u>	<u>2,496</u>
Average number of persons employed	No.	No.
Operations	60	46
Management & support	26	24
Management, Sales & Administration	<u>86</u>	<u>70</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £'000	2001 £'000
Profit on ordinary activities before taxation is after charging:		
Depreciation:		
Owned assets	376	329
Auditors' remuneration:		
Audit	10	10
Other	5	4
Land & buildings rentals	253	220
Other operating lease rentals	101	69
	<u>101</u>	<u>69</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
UK corporation tax at 30% (2001 - 30%)	379	366
Adjustment in respect of prior years	(4)	(71)
	<u>375</u>	<u>295</u>

Due to group relief, corporation tax is payable to other fellow subsidiary undertakings of Professional Staff plc. The tax charge was disproportionately low in 2001 as a result of the adjustment in respect of prior years. There are no provided or unprovided deferred tax liabilities at the balance sheet date.

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2002 £'000	2001 £'000
Profit on ordinary activities before taxation	1,305	1,181
Tax on profit on ordinary activities at standard rate	392	354
Effects of:		
Income from shares group undertakings not taxable	(37)	-
Expenses not deductible for tax purposes	24	12
Current tax charge for the period	<u>379</u>	<u>366</u>

5. DIVIDENDS

	2002 £'000	2001 £'000
Final paid - £12,000 (2001 - £35,000) per ordinary share	<u>1,200</u>	<u>3,500</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2002

6. FIXED ASSETS

(i) Tangible

	Motor Vehicles	Computers & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2001	144	1,646	1,790
Additions	-	222	222
Disposals	(15)	(197)	(212)
At 31 March 2002	129	1,671	1,800
Depreciation			
At 1 April 2001	69	1,022	1,091
Charge for the year	34	342	376
Disposals	(10)	(197)	(207)
At 31 March 2002	93	1,167	1,260
Net book value			
At 31 March 2002	36	504	540
At 31 March 2001	75	624	699

(ii) Investments

The company owns the entire issued share capital of Lab Staff Limited, a company incorporated in Great Britain and registered in England & Wales. Lab Staff Limited did not trade during the years ended 31 March 2002 and 2001. The historic cost of investment in Lab Staff Limited was £2 and the net book value at 31 March 2002 and 2001 was £nil.

Group accounts have not been prepared as the company is exempt by virtue of section 228 Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent company (see note 12).

7. DEBTORS

	2002 £'000	2001 £'000
Trade debtors	2,636	2,430
Amounts owed by group undertakings	50	82
Other debtors	18	27
Prepayments and accrued income	112	133
	<u>2,816</u>	<u>2,672</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Trade creditors	44	53
Amounts owed to group undertakings	381	527
Other taxation and social security	1,103	858
Other creditors	365	180
Accruals and deferred income	199	177
	<u>2,092</u>	<u>1,795</u>

9. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised 100 ordinary shares of £1 each	-	-
Called up, allotted and fully paid 100 ordinary shares of £1 each	-	-

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £'000	2001 £'000
Profit for the financial year	930	886
Dividends	(1,200)	(3,500)
Net reduction in shareholders' funds	(270)	(2,614)
Opening shareholders' funds	1,815	4,429
Closing shareholders' funds	<u>1,545</u>	<u>1,815</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

11. COMMITMENTS & CONTINGENCIES

The company's bankers hold a fixed and floating charge over the assets of the company as security over any overdraft. As at 31 March 2002, the company had no overdraft (2001 - £nil).

In addition, the company is subject to a cross guarantee covering any overdrafts of Professional Staff plc and certain subsidiaries. As at 31 March 2002 the contingent liability to the company in respect of this guarantee amounted to £10.0 million (2001- £12.5 million). The net liability of Professional Staff plc and subsidiaries as a group under this facility at 31 March 2002 was £nil (2001 - £10.4 million).

At 31 March 2002 the company was committed to making the following payments during the next year in respect of operating leases.

	Land & buildings 2002 £'000	Land & buildings 2001 £'000	Other leases 2002 £'000	Other leases 2001 £'000
Leases which expire:				
Less than one year	-	-	20	-
Two to five years	-	-	65	107
More than five years	210	57	-	-
	<u>210</u>	<u>57</u>	<u>85</u>	<u>107</u>

12. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company and controlling party of Science Recruitment Group Limited is Professional Staff plc, a company incorporated in Great Britain and registered in England and Wales. A copy of the consolidated accounts of Professional Staff plc can be obtained from The Secretary, Professional Staff plc, Buckland House, Waterside Drive, Langley Business Park, Slough, Berkshire, SL3 6EZ.

13. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8, "Related Party Transactions", transactions with other group undertakings within, and investee related parties of, the Professional Staff plc group have not been disclosed in these financial statements.